

# News Release



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**CONTACT:**

Tim Brandt, Sr. Restoration Architect  
(916) 653-9028  
Sheryl Tankersley, Info Officer  
(916) 651-0389

**California Building Owners and Investors Lead the Nation  
in Historic Rehabilitation Spending and Tax Credit Eligibility**

*One site eligible for 2007 featured on HGTV's "Restore America"*

**SACRAMENTO** – Investors spent \$281 million preserving California's historic buildings in 2005, leading all other states and qualifying them for the biggest federal rehabilitation tax credit.

"Let this stand as a reminder that as Californians, we care about our history and are willing to invest greatly in historic preservation for future generations," said California State Parks Director Ruth Coleman.

The Federal Rehabilitation Tax Credit provides a 20 percent tax break on investments made to rehabilitate eligible historically significant structures or buildings. The rehabilitated buildings that qualify for the credit in California are located in Los Angeles, Marin, Merced, Sacramento, San Francisco, Santa Clara and Yolo counties.

The credit is part of the Historic Preservation Tax Incentives Program administered by California State Parks' Office of Historic Preservation in partnership with the National Park Service (NPS) and the Internal Revenue Service (IRS). State rankings for private investment into historic building rehabilitations were issued by NPS in an annual report titled "Federal Tax Incentives for Rehabilitating Historic Buildings."

"It is often more expensive and more difficult to preserve historic architecture than to build new. So, without this added incentive, many of our valuable historic buildings could be lost," said Milford Wayne Donaldson State Historic Preservation Officer and Chief of the Office of Historic Preservation at California State Parks.

In order for a structure to be certified and qualify for the tax credit, the rehabilitation must be on a historically significant building on the National Register of Historic Places, meet the Secretary of the Interior's Standards for Rehabilitation, and be completed before applying for the credit.

(more)

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California had the highest certified expenses of any state on projects that were completed in fiscal year 2005. California is also among the 25 most active states where 2005 investments more than doubled. The state second most invested private capital was Pennsylvania, where investors spent \$237.6 million on historic rehabilitation.

The 15 projects completed range in size from the Armstrong and Alge Building (A&A) in Woodland at \$250,000, to the Ferry Building in San Francisco at \$97.7 million. The A&A Building returns a landmark commercial resource to the downtown Woodland area. San Francisco's iconic Ferry Building combines commercial, office and maritime interests, as well as a major public market along the Embarcadero.

One ongoing project that will be eligible for a tax credit next year is the \$100,000 Pacific Electric Building, also known as the Huntington Building, at 610 South Main Street in Los Angeles. The building is featured this month on "Restore America," a grant program hosted by Home and Garden Television (HGTV) and the National Trust for Historic Preservation. More information on the project can be found on HGTV's Web site: <http://www.hgtv.com/>.

The tax incentives program continues to be the nation's most effective federal way to promote urban and rural revitalization, encourage private investment in rehabilitating historic buildings, and implement sustainability by utilizing existing buildings important to communities.

The types of approved building projects for 2005 included multifamily and senior housing, loft conversions, theater, office, library, hotel, commercial and retail uses. Project sizes ranged from 11,300 square feet to more than 480,000 square feet. The types of buildings adapted for new use included former parking garages, commercial buildings, post offices, railroad freight facilities, and warehouses.

Historic rehabilitation has helped to increase heritage tourism. Statistics indicate that tourists visiting historic sites typically spend more dollars and stay longer in the state than other travelers. California has a unique collection of historic buildings available for adaptive reuse and which may be eligible for a variety of incentives. These include a large number of structures on closed military bases and industrial warehouses, and buildings conducive to multifamily and affordable housing.

For more information on Preservation Tax Incentives for Historic Buildings visit [www.ohp.parks.ca.gov](http://www.ohp.parks.ca.gov).

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**Note to Reporters and Editors:** A list of projects is attached and photo slideshow displaying many of them is available online at

<http://ohp.parks.ca.gov/pages/1074/files/2005%20certified%20tax%20projects.pps>

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**For energy efficient recreation –**  
**California State Parks on the Internet: <<http://www.parks.ca.gov>>**



## **Historic Rehabilitation: 15 Certified Projects NPS Approved in FY 2005**

### **Los Angeles County**

- General Petroleum Company Building (1949) now occupied by Pegasus Apartments
- Orpheum Theatre and Lofts (1926), continually operated as a theater with new lofts apartments
- 816 South Grand Avenue (1924), former parking garage converted to live-work lofts
- U.S. Post Office, also known as the Los Angeles Terminal Annex (1938) converted to computer facilities
- Hotel Chancellor (1925), rehabilitated with affordable housing component
- Mortgage Guarantee Building (1913), former office building converted to loft apartments
- Santa Fe Freight Depot (1906), industrial building adaptively converted into school of architecture
- Long Beach Professional Building (1929) in Long Beach adaptively reused as Pine Villa, a senior housing project

### **Marin County**

- Motor Boat Building (1912) in Belvedere, rehabilitated as apartments

### **Merced County**

- Bank of Italy Building (1928) used as retail and office space

### **Sacramento County**

- Hall of Justice (1917) now occupied by law library

### **San Francisco**

- Ferry Building (1898), used as offices, retail, and public market space
- California Fruit Cannery Assoc. Warehouse, also known as Haslett Warehouse (1909) adaptively rehabilitated as the Argonaut Hotel

### **Santa Clara County**

- Hotel Montgomery (1911) in San Jose rehabilitated as a new hotel

### **Yolo County**

- Armstrong & Alge Building (1890) in Woodland rehabilitated as retail space